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OFFICIAL STATEMENT

Redevelopment Agency of The City of Ojai

Ventura County, California

$650,000
Ojai Downtown Redevelopment Project, 1977 Tax Allocation Bonds

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MAR 16 1977

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Bids to be received on or prior to 11:00 A.M., Tuesday, April 12, 1977 at the office of Bank of America N.T. & S.A., 900 State Street, Santa Barbara, California 93101.

[Stone + Youngberg ...]
Slum clearance Ojai
Public debts Munic "
Investments Public securities

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OFFICIAL NOTICE OF SALE

$650,000

REDEVELOPMENT AGENCY OF THE CITY OF OJAI

DOWNTOWN REDEVELOPMENT PROJECT

1977 TAX ALLOCATION BONDS

NOTICE IS HEREBY GIVEN that sealed proposals will be received by the Redevelopment Agency of the City of Ojai (the "Agency") at the Bank of America National Trust and Savings Association, Main Conference Room, 900 State Street, Santa Barbara, California 93101, on

TUESDAY, APRIL 12, 1977

at 11:00 A.M. for the purchase of $650,000 principal amount of bonds of the Agency designated the "Redevelopment Agency of the City of Ojai Downtown Redevelopment Project 1977 Tax Allocation Bonds" (the "bonds"), authorized to be issued under the provisions of a resolution of the Agency adopted on March 8, 1977 (the "Resolution"), and pursuant to the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California). The bonds are more particularly described in the Resolution (which is incorporated herein by reference) and copies thereof will be furnished to any interested bidder upon request. The bonds are generally described as follows:

ISSUE: $650,000 consisting of 130 coupon bonds of the denomination of $5,000 each (or fully registered bonds in denominations of $5,000 or multiples thereof), all dated April 1, 1977. The bonds are part of an issue not limited in aggregate principal amount authorized by the Resolution and the bonds of one or more additional series of said issue may be issued pursuant to the Resolution, but only subject to the limitations and conditions set forth in the Resolution.

INTEREST RATE: The maximum rate bid may not exceed eight per cent (8%) per annum. Interest is payable on April 1, 1978, and thereafter semiannually on April 1 and October 1 of each year. Bidders must specify the rate or rates of interest which the bonds hereby offered for sale shall bear. Bidders will be permitted to bid different rates of interest; but (i) the maximum differential between the highest and lowest coupon rates specified in any bid shall not exceed 2% per annum; (ii) each interest rate specified in any bid must be in a multiple of one-twentieth (1/20) of one per cent per annum and a zero rate of interest cannot be specified; (iii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iv) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all bonds maturing at any one time shall bear the same rate of interest; and (vi) any premium must be paid as part of the purchase price, and no bid will be accepted which contemplates the cancellation of any interest coupons, or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price.

DISCOUNT: All bids must be for not less than 95% of the par value of the bonds.

MATURITIES: The bonds will mature on April 1 in each of the years, and in the amounts, as follows:

Year	Principal Amount
1988	$200,000
1998	450,000

The bonds maturing in the year 1988 are sometimes referred to herein as "Group I term bonds," and the bonds maturing in 1998 are sometimes referred to as "Group II term bonds."

REDEMPTION: Group I term bonds are not subject to redemption before their respective stated maturities. Group II term bonds are subject to redemption prior to their stated maturities, at the option of the Agency, from any source of available funds, as a whole, or in part by lot, on any interest payment date on or after April 1, 1988, at the following redemption prices (computed upon the principal amount of bonds called for redemption) together with accrued interest to the date of redemption:

Bonds Called		
On or After April 1	and Prior to April 1	Redemption Price
1988	1989	102½%
1989	1990	102¼
1990	1991	102
1991	1992	101¾
1992	1993	101½
1993	1994	101¼
1994	1995	101
1995	1996	100¾
1996	1997	100½
1997	1998	100¼

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the principal office of the Fiscal Agent, Bank of America National Trust and Savings Association, in Los Angeles, California or San Francisco, California.

REGISTRATION: The bonds may be issued in coupon form or in fully registered form, and will be interchangeable upon the terms set forth in the Resolution.

PURPOSE: The bonds are being issued by the Agency to aid in financing a community redevelopment project in the City of Ojai, California.

SECURITY: The bonds (together with bonds of any additional series issued under and subject to the conditions of the Resolution) are payable solely from and are secured by a first and exclusive pledge of the Tax Revenues (as defined in the Resolution) available in each fiscal year in an amount equal to 125% of Annual Debt Service (as defined in the Resolution) and by a pledge of the Reserve Account established by the Resolution. The bonds are not obligations of the City of Ojai. The Agency has no direct power of taxation and cannot control the rate of taxation imposed by taxing agencies upon property in the project area. Bidders should be aware that there has been legislation limiting tax rates adopted by the California State Legislature and measures submitted to the voters which might have the effect of reducing the amount of tax allocations that would otherwise be available for the payment of the bonds. Any provision of additional sources of income to taxing agencies having the effect of reducing the property tax rate must necessarily reduce the amount of tax allocations that would otherwise be available to pay the principal of and interest on the bonds. Likewise, broadened

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property tax exemptions or any additional limitation on the rate of taxation by taxing agencies could have a similar effect. In December, 1976, the Supreme Court of California held that the California system of financing public elementary and secondary schools, based on ad valorem property taxation, is invalid under the California Constitution. The Court's decision permits the existing system of financing schools to continue to operate for a reasonable length of time (not longer than until September 3, 1980) so that a constitutional system can be placed into operation. To the extent that this decision, and any future legislative or judicial action required to implement or enforce this decision, may limit the ability of or reduce the need for school districts to continue to levy ad valorem property taxes for the support of education, tax allocations will be reduced, adversely affecting the security of the bonds. At present, the possible effect on the taxing power of or the amount of taxes that will be levied by any given school district cannot be foreseen. Bidders are referred to the Resolution and to the official statement for further particulars.

FISCAL AGENT: Bank of America National Trust and Savings Association, Los Angeles, California, has been appointed Fiscal Agent for the payment of principal and interest and for the exchange of the bonds, and will hold in trust the Reserve Account, the Special Fund, the Interest Account and the Sinking Account established by the Resolution.

TAX EXEMPT STATUS: In the event that prior to the delivery of the bonds (a) the income received by private holders from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect upon holders of the bonds as such, the successful bidder may, at his option, prior to the tender of said bonds by the Agency, be relieved of his obligation under the contract to purchase the bonds, and in such case the deposit accompanying his bid will be returned.

LEGAL OPINION: The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds, will be furnished to the successful bidder without charge. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the purchaser.

TERMS OF SALE

Highest Bid: The bonds will be awarded to the highest bidder considering the interest rate or rates specified and the premium offered or discount bid, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from or by adding the amount of the discount bid (if any) to the total amount of interest which the Agency would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Agency. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. All interest will be computed on a 360-day year basis. The cost of printing the bonds will be borne by the Agency.

Right of Rejection. The Agency reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

Prompt Award: Subject to the above conditions of sale, the Agency will take action awarding the bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Delivery and Payment: Delivery of the bonds will be made to the successful bidder at the principal office of the Fiscal Agent in Los Angeles, California, as soon as the bonds can be prepared, which the Agency estimates will be within 30 days from the date of sale. Payment for the bonds must be made in funds immediately available to the Agency in Los Angeles, California.

Right of Cancellation: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Agency shall fail to execute the bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

Form of Bid: All bids must be for not less than all of the bonds hereby offered for sale and for not less than the par value thereof and accrued interest to date of delivery, plus such premium or less such discount as is specified in the bid. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Redevelopment Agency of the City of Ojai at the address above mentioned with the envelope and bid clearly marked "Proposal for Purchase of Redevelopment Agency of the City of Ojai Downtown Redevelopment Project 1977 Tax Allocation Bonds." Each bid must be in accordance with the terms and conditions set forth in this notice.

Bid Check: A certified or cashier's check drawn on a bank or trust company having an office in Los Angeles, California, in the amount of $10,000 payable to the order of the Agency, must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for the bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price. The check shall be cashed and the amount thereof retained by the Agency if after the award of the bonds the successful bidder fails to complete his purchase on the terms stated in his proposal. The check accompanying each unaccepted proposal will be returned promptly. No interest will be paid upon the deposit made by any bidder.

Statement of Net Interest Cost: Each bidder is requested, but not required, to state in his bid the total net interest cost in dollars to the Agency and the percentage net interest cost determined thereby, which shall be considered as informative only and not binding on either the bidder or the Agency.

Litigation: There is no litigation pending concerning the validity of the bonds, the existence of the Agency or the title of the officers thereof to their respective offices, and the Agency will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on said bonds but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the Agency; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

Official Statement: The Agency has adopted an official statement relating to the bonds, a copy of which will be furnished upon request to Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, Calif. 94111, Tel. (415) 989-2300. The Agency at its expense will provide 100 copies of the official statement to the successful bidder.

Certificate: The Agency will provide to the purchaser of the bonds a certificate, signed by an official of the Agency, confirming to the purchaser that, at the time of the acceptance of the bid for the bonds and at the time of delivery thereof, to the best of the knowledge of said official, the official statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition or affairs of the Agency between the date of sale and the date of delivery of the bonds.

Dated: March 8, 1977.

CLARICE E. JOHNSEN

Secretary of the Redevelopment Agency
of the City of Ojai

REDEVELOPMENT AGENCY OF THE CITY OF OJAI
Ventura County, California

CITY COUNCIL AND MEMBERS OF THE AGENCY

John F. Fay, *Mayor and Chairman of the Agency*

James D. Alcorn, *Mayor pro-tem and Vice-Chairman of the Agency*

James D. Loebl

Frank McDevitt

Hal Mitrany

Donald R. Kemp, *Executive Director of the Agency and City Manager*

K. Duane Lyders, *City Attorney*

Boyd Ford, *City Treasurer*

Clarice E. Johnsen, *City Clerk*

Barry H. Lockton, *Director of Public Works*

Michael R. Paige, *Director of Planning*

SPECIAL SERVICES

ORRICK, HERRINGTON, ROWLEY & SUTCLIFFE, *San Francisco*
Bond Counsel

STONE & YOUNGBERG MUNICIPAL FINANCING CONSULTANTS, INC., *San Francisco*
Financing Consultants

BANK OF AMERICA N.T. & S.A., *San Francisco and Los Angeles*
Fiscal Agent and Paying Agent

THE DATE OF THIS OFFICIAL STATEMENT IS MARCH 8, 1977

City of Ojai, California

P. O. BOX 5067 – 401 SOUTH VENTURA STREET
OJAI, CALIFORNIA 93023
Phone (805) 646-5581

March 8, 1977

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of $650,000 Ojai Downtown Redevelopment Project, 1977 Tax Allocation Bonds (the "Bonds"), authorized and issued for the purpose of assisting in the financing of said Project, paying of expenses in connection with issuance, and providing reserve funds as additional security for said Bonds.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Redevelopment Agency of the City of Ojai with regard to the Ojai Downtown Redevelopment Project, 1977 Tax Allocation Bonds. (Such firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, the Community Redevelopment Law, the Redevelopment Plan for said Project, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Agency for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, accompanies the Official Statement as originally distributed and is available to any prospective bidder on request from the Agency.

The legal opinion, approving the validity of the Bonds, will be furnished by Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the Agency. (Such firm will receive compensation from the Agency contingent partially upon the sale and delivery of the Bonds.) Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth hereinafter under the caption "The Bonds".

No dealer, broker, salesman or other person has been authorized by the Agency to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Agency.

Redevelopment Agency of the City of Ojai

Donald R. Krueger
Executive Director

John F. Fay
Chairman

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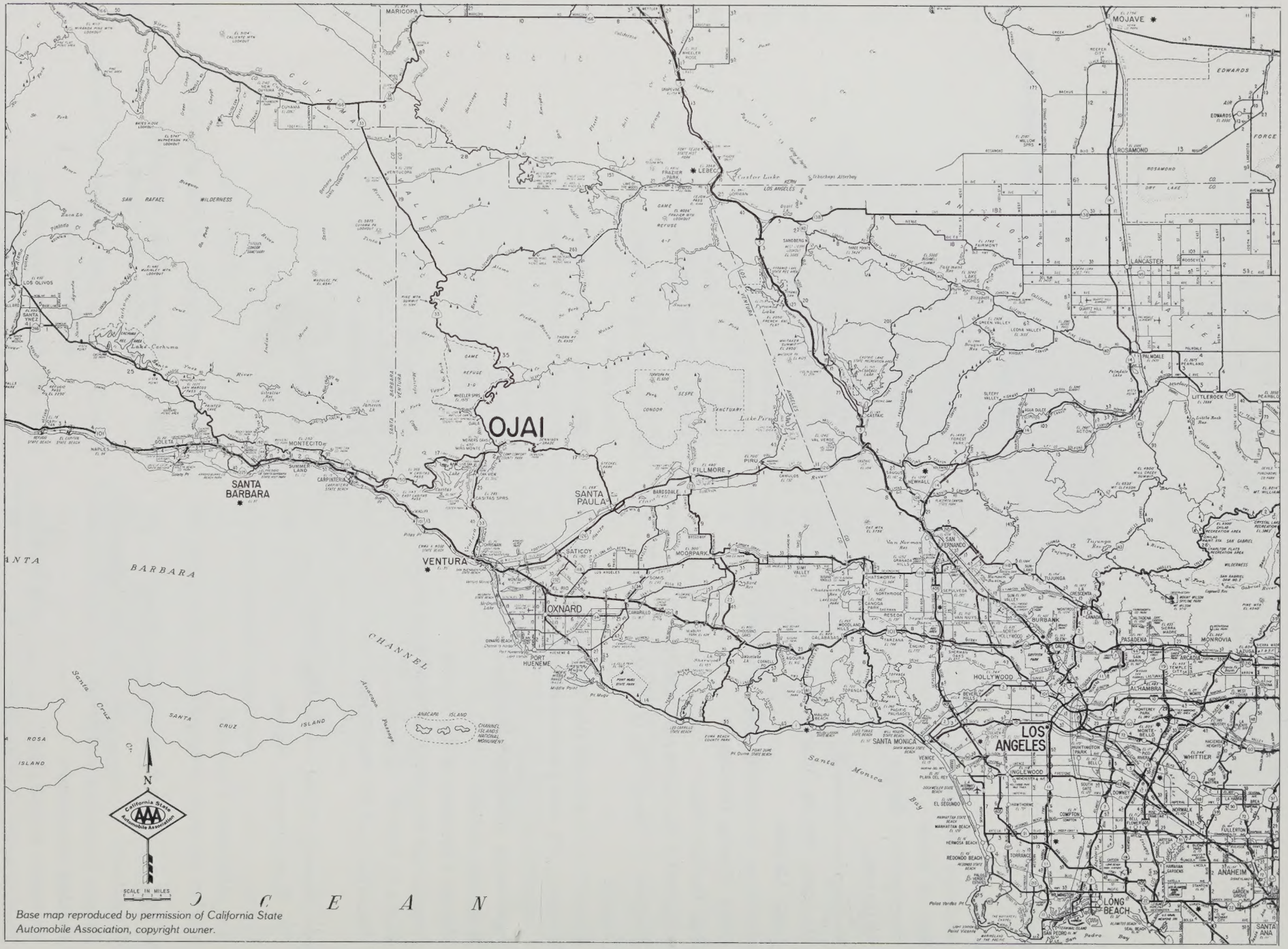
OJAI
SANTA BARBARA
SANTA PAULA
VENTURA
OXNARD
LOS ANGELES
LONG BEACH
SANTA MONICA
HOLLYWOOD
BURBANK
PASADENA
LANCASTER
MOJAVE
ROSAMOND
PALMDALE
FILLMORE
SAN FERNANDO
MONTECITO
SOLETA
SUMMER LAND
CARPINTERIA
SATICOY
MOORPARK
SIMI VALLEY
PORT HUENEME
CAMARILLO
LEBEC
MARICOPA
LITTLEROCK
NEWHALL
PIRU
SANTA CRUZ ISLAND
SANTA ROSA ISLAND
ANACAPA ISLAND
CHANNEL ISLANDS NATIONAL MONUMENT
SANTA BARBARA CHANNEL
Santa Monica Bay
OCEAN
SAN RAFAEL WILDERNESS
SESPE CONDOR SANCTUARY
Lake Cachuma
Lake Piru
Castaic Lake
Quail Lake
Pyramid Lake
Elizabeth Lake
Leona Valley
Green Valley
Sleepy Valley
Agua Dulce
Sandberg
Fairmont
Lake Hughes
Willow Springs
Rosamond
Edwards
Edwards Air Force
Antelope Valley
Mojave
Tehachapi Mtns
Frazier Park
Gaviota
Cuyama
Wheeler Springs
Wheeler Ridge
Gorman
Tejon
Castaic
Newhall
Saugus
Valencia
Canyon Country
Sylmar
Granada Hills
Chatsworth
Northridge
Van Nuys
Sepulveda
Encino
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Venice
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Bell
Monterey Park
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San Bernardino
Redlands
Yucaipa
Beaumont
Banning
Palm Springs
Indio
Coachella
Thousand Palms
Cathedral City
Rancho Mirage
Palm Desert
La Quinta
Indian Wells
Bermuda Dunes
Desert Hot Springs
Morongo Valley
Yucca Valley
Joshua Tree
Twentynine Palms
Barstow
Victorville
Hesperia
Apple Valley
Lucerne Valley
Big Bear Lake
Lake Arrowhead
Crestline
Running Springs
Mt. Baldy
Mt. San Antonio
Mt. San Jacinto
Mt. Gleason
Mt. Wilson
Mt. Williamson
Mt. Pinos
Mt. Abel
Mt. Piños
Mt. Hayes
Mt. Lockwood
Mt. Miguel

INTRODUCTION

This Introduction does not purport to present the complete provisions of the bonds now being offered, their terms of sale, documents authorizing their issuance and other relevant data. Reference is hereby made to the Official Statement, Official Notice of Sale, and Resolution No. 7 of the Redevelopment Agency of the City of Ojai for a complete recitation of such provisions and information. This Introduction is part of the Official Statement and should be read in conjunction therewith.

The Constitution and laws of the State of California recognize the vital need for the elimination and rehabilitation of deteriorating urban areas in the state through conservation and redevelopment efforts, and provide an effective means of accomplishing these objectives. Under the provisions of the Community Redevelopment Law (California Health & Safety Code, Section 33000 et seq.), communities containing areas subject to economic and social deterioration may remedy these conditions by activating a redevelopment agency, which has the power to designate specific areas for redevelopment, prepare plans for redevelopment of the designated areas, and carry out the approved plans.

Financing of redevelopment projects in California may be provided through the issuance of tax allocation bonds or notes by the agency. These types of obligations are payable from property taxes collected from within a project upon the increase in assessed valuation which has resulted from redevelopment, as more fully described in this official statement. The local community may also advance funds to the redevelopment agency to help meet project costs, in which event, the advances may be repaid from such increased taxes.

In March of 1972 the Ojai City Council determined that there was a need for redevelopment of portions of the city, and by ordinance activated the Redevelopment Agency of the City of Ojai, which is a public entity separate and apart from the city. The City Council declared itself to be the Agency.

The Ojai Downtown Redevelopment Project (the "Project"), the Agency's first, was adopted May 30, 1972. The Project consists of 159 acres in downtown Ojai, including the central business district and surrounding commercial and residential areas.

The $650,000 principal amount of 1977 Tax Allocation Bonds currently offered for sale on behalf of the Project will be used to finance undergrounding of utilities, construction of other public improvements, land acquisition, establish a bond reserve and pay costs of bond issuance.

Payment of interest and principal on the 1977 Tax Allocation Bonds described herein is secured by a first and irrevocable pledge of all property taxes received from increased assessed valuations of the Project over such valuations recorded prior to adoption of the Redevelopment Plan for this Project (defined herein as the Tax Revenues), and all moneys set aside as a debt service reserve, subject, however, to permitted payments of "Surplus" tax increment revenues under the terms and conditions described herein and in the Resolution of the Agency providing for the issuance of these bonds.

Since adoption of the Redevelopment Plan in May 1972, assessed valuations on all property in the Project have increased by $571,492 over the pre-existing valuations. At the tax rate applicable to all property in the Project ($12.0395 per $100 assessed valuation), the Project will generate $68,800 of Tax Revenues in the current 1976/77 fiscal year.

As discussed on page 16 of this official statement, it is anticipated that Project incremental assessed valuation on all property will increase $89,000 in 1977/78 due to developments recently completed or under construction, resulting in a total incremental assessed valuation of $660,492 by 1977/78 and in each subsequent fiscal year. At this level, and assuming continuation of the 1976/77 tax rate on all property of $12.0395, the Tax Revenues of $79,500 generated will cover assumed average annual interest, principal and Sinking Account deposit requirements on the Bonds by about 1.25 times (see Table 2 on page 18). It is anticipated by the Agency that additional development will occur in the Project in future years but no projections of such development or resulting incremental assessed valuation have been made for the above computations. It is noted that there is a temporary building moratorium imposed on areas of the city including the Project as discussed in detail in the section of this official statement entitled "The Ojai Downtown Redevelopment Project."

THE BONDS

The statements herein concerning the Bonds and the Resolution are summaries of certain provisions thereof. They do not purport to be complete, and are qualified in their entirety by reference to the Resolution, a copy of which accompanies this official statement as originally distributed.

Authority for Issuance

The $650,000 Ojai Downtown Redevelopment Project, 1977 Tax Allocation Bonds (hereinafter sometimes referred to as the "Bonds"), currently being offered, were authorized pursuant to a resolution of the Redevelopment Agency of the City of Ojai, adopted March 8, 1977 (the "Resolution"). The Bonds will be issued under the provisions of, and in full conformity with, the Constitution and laws of the State of California, including the Community Redevelopment Law (commencing with Section 33000 of the California Health and Safety Code—the "Law"), and acts amending or supplementing that Law.

Sale of Bonds

Bids for the purchase of the Bonds will be received on behalf of the Redevelopment Agency of the City of Ojai until 11:00 A.M., Tuesday, April 12, 1977 at the office of Bank of America N.T. & S.A. (main conference room), 900 State Street, Santa Barbara, California 93101. Details as to the terms of sale are included with the Official Notice of Sale, adopted March 8, 1977, a copy of which is included with this official statement as originally distributed.

Description of Bonds

The $650,000 principal amount of Ojai Downtown Redevelopment Project, 1977 Tax Allocation Bonds will be dated as of April 1, 1977 and be issued either in coupon form in denominations of $5,000 each, numbered 1 through 130, or in fully registered form in the denomination of $5,000 or any authorized multiple thereof. Two groups of term bonds, one group maturing on April 1, 1988 and another on April 1, 1998, will be offered. Interest for the first year is payable on April 1, 1978 and semiannually thereafter on October 1 and April 1. The Bonds, the interest thereon, and any premiums upon the redemption thereof prior to maturity are payable at the Los Angeles, California principal office of the Fiscal Agent, Bank of America N.T. & S.A., or at the principal office of the Fiscal Agent in San Francisco, California.

Group I Term Bonds in the principal amount of $200,000 will mature on April 1, 1988. Group II Term Bonds in the principal amount of $450,000 will mature on April 1, 1998, as shown below:

SCHEDULE OF MATURITIES

Maturity Date April 1	Principal Amount
1988	$200,000
1998	450,000

The Group I and Group II Term Bonds will be paid through minimum sinking account deposits as provided for in the Resolution, and discussed hereinafter, beginning in 1979 to assure payment of all Term Bonds at or prior to maturity.

Registration

The Bonds will be issued as coupon bonds or as fully registered bonds, at the holder's option, with the privilege of exchange as set forth in the Resolution.

Redemption Provisions

Group I Term Bonds maturing on April 1, 1988, a total principal amount of $200,000, are not subject to call or redemption prior to their maturity date. Group II Term Bonds maturing on April 1, 1998, a total principal amount of $450,000, are subject to call and redemption as a whole or in part, by lot, at the option of the Agency, from any available source of funds, on any interest payment date commencing with April 1, 1988, upon payment of accrued interest to the date of call and a redemption price equal to the principal amount plus a premium, as shown in the schedule on the next page (computed upon the principal amount of the Bonds called for redemption), provided, however, that no

Group II Term Bonds may be called for redemption so long as any Group I Term Bonds remain outstanding. Notice of call for redemption shall be given as provided in the Resolution.

GROUP II TERM BONDS

Redemption Dates and Price

On or After April 1	and Prior to April 1	Redemption Price
1988	1989	102½ %
1989	1990	102¼
1990	1991	102
1991	1992	101¾
1992	1993	101½
1993	1994	101¼
1994	1995	101
1995	1996	100¾
1996	1997	100½
1997	1998	100¼

Minimum Sinking Account Deposits

In order to provide for payment of Term Bonds maturing April 1, 1988 and April 1, 1998, the Resolution provides that pledged Tax Revenues (as hereinafter defined) will be transferred to the Sinking Account in amounts sufficient to retire Group I Term Bonds at maturity and to call and redeem Group II Term Bonds at or prior to maturity. The required minimum Sinking Account deposits are shown in the following tabulation.

MINIMUM SINKING ACCOUNT DEPOSITS

Year Ending April 1	Principal Amount	Year Ending April 1	Principal Amount
1979	$20,000	1989	$30,000
1980	20,000	1990	35,000
1981	20,000	1991	35,000
1982	20,000	1992	40,000
1983	20,000	1993	45,000
1984	20,000	1994	45,000
1985	20,000	1995	50,000
1986	20,000	1996	55,000
1987	20,000	1997	55,000
1988	20,000	1998	60,000

Legal Opinion

The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel for the Agency, attesting to the validity of the Bonds, will be supplied free of charge to the purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is held, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this official statement, not mentioned in this paragraph.

Certificate Concerning Official Statement

At the time of payment for and delivery of the Bonds, the Agency will furnish the successful bidder a certificate, signed by appropriate officers of the Agency and city, acting in their official capacity, to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the official statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the Agency or city since the date of such official statement.

Other Closing Documents

In addition to the opinion of Bond Counsel and the Certificate Concerning the Official Statement described above, the Agency will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate.** A certificate of a responsible officer of the Agency that, on the

basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds.

2. **No Litigation Certificate.** A certificate of a responsible officer of the Agency that there is no litigation threatened or pending affecting the validity of the Bonds.

3. **Signature Certificates.** Certificates of the respective officers and representatives of the Agency showing that they have signed the Bonds by manual or facsimile signature, and that they were duly authorized to execute the same.

4. **Treasurer's Receipt.** The receipt of the Treasurer of the Agency showing that the purchase price of the Bonds, including accrued interest to the date of delivery (if any), has been received by the Agency.

Tax Exempt Status

In the opinion of Bond Counsel, interest on the Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment in California

The California Community Redevelopment Law provides that debt instruments authorized and issued in the same manner and for the same purposes as the Bonds described herein shall be legal investments for all banks, including trust companies, and various other financial institutions, as well as for trust funds and other public bodies. The Community Redevelopment Law also provides that such debt instruments are authorized security for public deposits.

The Superintendent of Banks of the State of California has previously ruled that debt instruments of a redevelopment agency are, by said statute, legal investments in California for savings banks. As such, the Bonds would also be legal investments for all trust funds, and for the funds of all insurance companies, commercial banks, trust companies, and any public or private funds which may be invested in county, municipal, or school district bonds. The Bonds may be deposited as security for the performance of any act whenever the bonds of any county or municipality may be so deposited, and may also be used as security for the deposit of public moneys in banks in the state. The Agency has not requested a separate ruling from said Superintendent of Banks as to these Bonds.

Purpose and Disposition of Bond Proceeds

Proceeds of the Bonds are to be used to finance construction of public improvements and related expenses, as described in the section of this official statement entitled "The Ojai Downtown Redevelopment Project".

Under the provisions of the Resolution, the Fiscal Agent and the Agency will receive the proceeds from the sale of the Bonds and will apply them as follows:

(1) The accrued interest and premium, if any, will be deposited in the Interest Account within the Ojai Downtown Redevelopment Project Special Fund (held by the Fiscal Agent).

(2) A sum equal to maximum annual interest on the Bonds (the "Minimum Reserve") will be deposited in the Reserve Account within the Ojai Downtown Redevelopment Project Special Fund (held by the Fiscal Agent).

(3) The balance of the proceeds will be deposited in the Ojai Downtown Redevelopment Project Redevelopment Fund (held by the Agency), to be expended for the purposes for which the Bonds were issued.

The estimated amount of Bond proceeds to be used for each of the specified purposes is as shown in the following tabulation.

OJAI DOWNTOWN REDEVELOPMENT PROJECT

Disposition of Bond Proceeds

Public improvements	$535,375①
Reserve Account (assumed maximum annual interest at 7¼%)	47,125
Provision for Bond discount (5% maximum)	32,500
Costs of issuance (legal, financing, printing, etc.)	35,000
Principal Amount of Bonds	$650,000

① Acquisition of land and construction of underground utilities, plazas, malls, fountains, promenades and parking.

Security

The Bonds are payable from any available funds of the Agency and are secured by a first and exclusive pledge of all Tax Revenues (as defined below) and all moneys in the Reserve Account (to be established with the Fiscal Agent from bond pro-

ceeds). The Tax Revenues are irrevocably pledged in their entirety to the payment of the Bonds or to the Reserve Account by transfer, so long as any of the Bonds remain outstanding or unprovided for. However, the Resolution provides for discretionary disbursement of a portion of the Tax Revenues to the Agency after certain coverage requirements and other conditions precedent have been met (see section below entitled "Creation of Funds and Accounts"—*"Surplus"*).

Under the provisions of the Community Redevelopment Law and the Redevelopment Plan for the Ojai Downtown Redevelopment Project, taxes on property in the Project levied by any taxing agency will be allocated in the following manner commencing April 1, 1977 (the Bond date):

(1) Taxes levied at the total prevailing rates each year against an amount equivalent to the recorded 1971/72 assessed valuation of property within the Project (the "frozen base"), will continue to be paid into the funds of the respective taxing agencies.

(2) Taxes derived from increases in the assessed valuation of property within the Project above the frozen base occurring for any reason (the "Tax Revenues") will be deposited in the Special Fund of the Agency, held and administered by the Fiscal Agent for payment of the Bonds.

The Bonds are special obligations of the Redevelopment Agency of the City of Ojai and as such are not a debt of the City of Ojai, the State of California, or any of its political subdivisions. Neither the city, state, nor are any of its political subdivisions liable for their payment. These Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The validity of the Bonds is not dependent upon the completion of the Project or upon the performance by anyone or his obligation relative to the Project.

Creation of Funds and Accounts

The Resolution provides for the establishment of funds and accounts, to be held by the Fiscal Agent and the Agency, for the administration and control of the proceeds obtained from sale of the Bonds, any other funds allocable to the Project, and from the pledged Tax Revenues. Specific aspects of these funds and accounts are described as follows.

The Redevelopment Fund (held by the Agency)—Moneys deposited in the Ojai Downtown Redevelopment Project Redevelopment Fund from Bond proceeds and any other sources, if required by the Agency, shall be used for the purpose of aiding in financing the Project. All moneys in excess of those required to complete the Project may be transferred from the Redevelopment Fund to the Special Fund, or be held in the Redevelopment Fund to assist in financing subsequent phases of the Project, if any, as determined by the Agency.

The Special Fund (held by the Fiscal Agent)—Under the provisions of the Resolution, the Agency authorizes and directs the payment of Tax Revenues, as defined in a preceding section, directly to the Fiscal Agent for deposit in the Ojai Downtown Redevelopment Project Special Fund.

So long as any of the Bonds are outstanding, moneys in the Special Fund shall be set aside in the following special accounts and be used in the following order of priority:

(1) *Interest Account.* On or before the last day of March, 1978, and the last days of each March and September thereafter so long as the Bonds remain outstanding, the Fiscal Agent shall set aside from the Special Fund in the Interest Account an amount sufficient to pay the aggregate interest on all of the outstanding Bonds on the next succeeding interest payment date. Any funds so set aside shall be applied solely to the payment of interest on the Bonds when due (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(2) *The Reserve Account.* After making the foregoing deposit, the Fiscal Agent shall set aside in the Reserve Account an amount sufficient to maintain the Minimum Reserve (as defined below) in said Reserve Account.

Moneys in the Reserve Account (initially equal to maximum annual interest on the Bonds) shall be withdrawn and used by the Fiscal Agent solely for the purpose of paying the interest on and principal of the Bonds at the time outstanding.

At all times, a Minimum Reserve equal to maximum annual interest on the Bonds shall be maintained in the Reserve Account. Should the amount in the Reserve Account be less than the required Minimum Reserve, the Fiscal Agent shall restore the balance by transfer of the first available moneys in the Sinking Account.

(3) *Sinking Account.* Commencing March 31, 1979, but only after making the deposits or transfers required under Paragraphs (1), and (2) above, the Fiscal Agent shall set aside in the Sinking Account the following minimum principal amounts in each of the indicated years solely for the purchase or redemption of Term Bonds at or prior to maturity. Not later than March 31, 1988, the Fiscal Agent shall set aside an amount sufficient to retire all outstanding Group I Term Bonds on their maturity date.

Year	Principal Amount	Year	Principal Amount
1979 ...	$ 20,000	1989 ...	$ 30,000
1980 ...	20,000	1990 ...	35,000
1981 ...	20,000	1991 ...	35,000
1982 ...	20,000	1992 ...	40,000
1983 ...	20,000	1993 ...	45,000
1984 ...	20,000	1994 ...	45,000
1985 ...	20,000	1995 ...	50,000
1986 ...	20,000	1996 ...	55,000
1987 ...	20,000	1997 ...	55,000
1988 ...	20,000	1998 ...	60,000
Group I Term Bonds	$200,000	Group II Term Bonds	$450,000

The price of any Term Bonds purchased by the Fiscal Agent (including brokerage and other expenses, but excluding accrued interest which is payable from the Interest Account) may not exceed the principal amount of such Bonds plus the premium applicable on the next following redemption date. On January 30, 1988, or any July 31 or January 30 thereafter, the Fiscal Agent shall apply all moneys available in the Sinking Account (if such moneys are sufficient to redeem at least $25,000 principal amount) to the call and redemption of Group II Term Bonds on the next succeeding interest payment date. The Resolution provides, however, that no Group II Term Bonds may be called for redemption if any Group I Term Bonds are then outstanding and unpaid.

The Fiscal Agent shall transfer any moneys in the Sinking Account to the Interest Account or the Reserve Account if the required deposits to such accounts cannot be made from other sources of funds.

(4) *Surplus.* The Fiscal Agent on or before December 31 of each year, commencing December 31, 1977, shall ascertain the amount of Tax Revenues received or to be received by the Agency based upon the most recent assessed valuation of taxable property in the Project (as certified by the Auditor-Controller of Ventura County), and shall estimate that portion of said Tax Revenues which will be in excess of 125% of the amount of minimum Sinking Account deposits and interest which shall have come due or to become due during said fiscal year on the Bonds (and any parity bonds) then outstanding, and shall promptly notify the Agency of the excess portion so determined. The Agency may, by written notice to the Fiscal Agent within 30 days after receipt of such notification, direct that an amount not exceeding said excess portion be paid to the Agency, which amount may be used by the Agency for any purpose authorized in the Law, including, without limitation, the purchase and/or call and redemption of outstanding Bonds, provided the following condition has been met: The deposits required by the foregoing subsections (1), (2) and (3) have been made so that the required amounts are in the above mentioned accounts as shown by a certificate of the Fiscal Agent.

Upon receipt of the Tax Revenues, the Fiscal Agent shall make such payment or payments, as directed by the Agency.

Property Tax Rate Limitations and Exemptions

The California Legislature has enacted legislation intended to limit future increases in ad valorem property tax rates. This legislation generally limits all future general purpose tax rates to that imposed during either the 1971/72 or 1972/73 fiscal year, or the rates set by the enabling statute of the particular taxing entity. Tax rate limits may be raised by any amount which is approved by a majority vote of the electorate. Tax rates may also be increased under an inflation or "cost-of-living" formula incorporated in the legislation. This legislation does not restrict tax rates levied for certain limited purposes, e.g. general obligation bonds or for voter approved pension plans.

Certain exemptions from property taxes have been granted to specific classes of property located in California. Revenues lost by local taxing agencies from two of these exemptions (the homeowners' property tax exemption and the business inventories

exemption, which are discussed under the section "City Financial Data" in this official statement) are reimbursed by the State and are allocated to eligible redevelopment agencies in the same manner as locally collected taxes. Revenues lost as a result of other types of exemptions are not reimbursed, but assessed valuations of such exempt property are not reflected in either the frozen base roll or subsequent years' rolls. There is no assurance that additional tax rate limitations or exemptions will not be approved, nor is there any assurance that revenues lost will continue to be reimbursed to local taxing agencies or allocated to redevelopment agencies. To the extent that such limitations or exemptions are approved, the reimbursement and allocation of lost revenues are not made, the security of the Bonds could be adversely affected.

Redevelopment agencies in California do not have the power to levy or collect property taxes, but must rely upon the taxes levied on property within a project by other taxing agencies for the production of Tax Revenues. The tax rate for all purposes currently applicable to all property located within the Project is $12.0395 per $100 assessed valuation. For the purposes of this official statement, projections of Tax Revenues to be received in or for 1976/77 and subsequent years are based upon the tax rate in effect for 1976/77.

On December 30, 1976, the Supreme Court of California affirmed a judgment of the Superior Court of California for the County of Los Angeles, holding the California system of financing public elementary and high schools, based on ad valorem taxation invalid under the California Constitution. (Serrano v. Priest, _____ Cal. 3rd _____).

The affirmed Judgment of the Superior Court also provides: (1) that the judgment is not intended to invalidate, and shall not be construed as invalidating in any way, any past acts constituting the operation of the school financing system; (2) that the existing school financing system shall continue to operate for a reasonable length of time (but in no event later than September 1980) so that a constitutional system can be designed, enacted into law, and placed into operation; (3) that any redesign of the school financing system which provides for elimination of unconstitutional features on a gradual basis must be such that the redesigned school financing system will be fully constitutional no later than six years from date of entry of the judgment, and that otherwise there will be a denial to the plaintiffs of their constitutional rights for an unreasonable length of time; and (4) that the Trial Court is retaining jurisdiction so that any of the parties may apply for appropriate relief in the event that relevant circumstances develop, such as a failure by the legislative and executive branches to take the necessary steps to design, enact into law, and place into operation, within a reasonable time from entry of the judgment, a fully constitutional system.

To the extent that this decision, and any future legislative or judicial action required to implement or enforce such decision, may limit the ability of schools to continue to levy ad valorem property taxes for the support of education, Tax Revenues will be reduced, adversely affecting the security of the Bonds. The total 1976/77 tax rate for public elementary and high schools within the Project is $4.1972 per $100 assessed valuation.

Issuance of Additional Bonds

The Agency may, by Supplemental Resolution, issue Additional Bonds to pay the costs of the Project (including subsequent phases of the Project, if any) provided:

a. The Agency must be in compliance with all covenants set forth in the Resolution.

b. The Reserve Account must be increased, if necessary, by an amount sufficient to maintain the Minimum Reserve (maximum annual interest due on the Bonds and any Additional Bonds).

c. The Additional Bonds must mature on April 1, and interest thereon is to be payable April 1 and October 1 of each year except the first year, which may be payable at the end of said year.

d. Tax Revenues produced or to be produced from the most recent equalized assessed valuation of taxable property located in the Project are at least equal to 1.25 times the assumed average annual debt service on all series of the outstanding Bonds and the Additional Bonds proposed to be issued, as opined to by an independent certified public accountant employed by the Agency (the computation of assumed average annual debt service is to be made on the basis of approximately equal annual payments of principal plus interest over the entire term of the Bonds and the Additional Bonds proposed to be issued). For purposes of this computation, taxable property shall include assessed valuations of property exempt from local property taxation by reason of the homeowners' and business inventories exemptions, and any other exemptions enacted by statute or im-

posed by judicial decision, to the extent that in-lieu payments for such exemptions are made to the Agency.

e. The Agency must have received all required approvals of any governmental authority having jurisdiction over the Additional Bonds or their terms.

At present, the Agency does not anticipate that any Additional Bonds will be issued within the foreseeable future.

Refunding Bonds

Existing State Law provides that refunding bonds secured by Tax Revenues derived from the Ojai Downtown Redevelopment Project may be issued for the purpose of refunding all or any series of the Bonds then outstanding.

Certain Covenants of the Agency

Certain covenants of the Agency under the Resolution are summarized in the following paragraphs.

1. The Agency will punctually pay, or cause to be paid, the principal of and interest on the Bonds as they become due.

2. The Agency will not encumber, pledge, or place any charge or lien upon any of the Tax Revenues superior to or on a parity with the pledge and lien created in the Resolution except as provided in the Resolution.

3. The Agency will deposit and use the Bond proceeds as provided in the Resolution, and will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and businesslike manner and will keep such properties insured at all times in conformity with sound business practice.

4. The Agency will pay and discharge, or cause to be paid and discharged any governmental charges imposed, and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge which might impair the security of the Bonds. The Agency does not, however, covenant to make any such payment so long as the Agency in good faith shall contest the validity of said claims.

5. The Agency will keep proper books of accounts and will cause to be prepared within 120 days after the close of each fiscal year complete financial statements, in reasonable detail, on the Project, the Tax Revenues and other funds and accounts as provided in the Resolution, all as certified by an independent certified public accountant. The Agency will furnish a copy of such statements to any Bondholder upon written request. Said books and accounts will be maintained separate and apart from those of the City of Ojai.

6. The Agency will carry out to completion with all practical dispatch the Project, and the Project will be accomplished and completed in a sound and economical manner and in conformity with the Redevelopment Plan, and the Community Redevelopment Law. The Redevelopment Plan may be amended as provided in the Law, but no such amendment may be made which would substantially impair the security of the Bonds or the rights of the Bondholders.

7. If all or any part of the Project owned by the Agency shall be taken by eminent domain proceedings, the net proceeds realized by the Agency therefrom shall be deposited with the Fiscal Agent in the Special Fund for the purpose of paying principal of and interest on the Bonds subject to the terms, conditions and requirements contained in the Resolution.

8. Whenever any property in the Project has been redeveloped and thereafter is leased by the Agency to any person or persons (other than the City of Ojai or a public instrumentality thereof), or whenever the Agency leases real property in the Project to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property (in accordance with Section 33673 of the Health and Safety Code of the State of California), and the lease or contract shall provide: (a) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of their leasehold interest, and (b) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease or contract shall be less than the taxes which would have been payable upon the assessed value of the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Fiscal Agent within thirty days after the taxes for such year become payable to the taxing agencies and in any event prior to the delinquency date or dates of such taxes established by law. All such payments to the Fiscal Agent shall be treated as Tax Revenues and shall be deposited by the Fiscal Agent in the Special Fund.

9. The Agency will not dispose of more than 10% of the land area in the Project (other than

property shown by the Redevelopment Plan in effect as of the date of the Resolution as planned for public use, or for such other limited public uses as specified in the Resolution) to public bodies or other persons or entities whose property is tax exempt if as a result of such disposition the security of the Bonds or the rights of the Bondholders will be substantially impaired.

10. The Agency will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons.

11. The Agency will not invest or cause to be invested proceeds of the Bonds in a manner which would result in the Bonds becoming taxable arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code, as amended, and applicable regulations adopted thereunder.

Deposit and Investment of Moneys in Funds

Subject to the provisions of the Resolution, all moneys held by the Fiscal Agent in the Special Fund, except such moneys which are at the time invested, shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Fiscal Agent) and shall be secured at all times by bonds or other obligations which are authorized by laws as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Special Fund may, and upon written request of the Agency shall, be invested by the Fiscal Agent in certain Federal securities as described in the Resolution.

Obligations purchased as an investment of moneys in any of said funds shall be deemed at all times to be a part of such fund and any gain realized from such investment shall be credited to such fund and any loss resulting from any such authorized investment shall be charged to such fund without liability to the Agency or the members and officers thereof or to the Fiscal Agent. Investment income from moneys in the Reserve Account in excess of the Minimum Reserve may, at the request of the Agency, be transferred to the Redevelopment Fund.

For the purpose of determining at any given time the balance in such fund, any investment constituting a part of such fund shall be valued at the estimated market value of such investment.

Event of Default—Remedies

The Resolution declares each of the following events to be an event of default:

(1) Failure to pay the principal on the Bonds when due and payable;

(2) Failure to pay interest on the Bonds when due and payable, if such failure shall have continued for 30 days;

(3) Default by the Agency in the performance or observance of any of the covenants, agreements or conditions in the Bonds or in the Resolution if such default continues for sixty (60) days after written notice thereof has been given to the Agency by the Fiscal Agent or by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding; or

(4) If the Agency files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Agency or of the whole or any substantial part of its property.

In case of an event of default, the Fiscal Agent or the holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding may declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an event of default any Bondholder shall have the right, for the equal benefit and protection of all Bondholders similarly situated—

(1) By mandamus, suit, action or proceeding, to compel the Agency and its members, officers, agents or employees to perform each and every term, provision and covenant contained in the Resolution and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Agency and the fulfillment of all duties imposed upon it by the Law;

(2) By suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondholders' rights; or

(3) Upon the happening of any event of default, by suit, action or proceeding in any court of competent jurisdiction, to require the Agency and its members and employees to account as if it and they were the trustees of an express trust.

The Resolution provides that no remedy conferred therein upon the Fiscal Agent or the Bondholders shall be exclusive of any other remedy, and that each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or thereafter conferred upon the Fiscal Agent or Bondholders. However, the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting enforcement of creditors' rights.

Amendment of the Resolution

The Resolution may be modified or amended by a Supplemental Resolution only with the consent of the holders of 60% of all Bonds then outstanding (exclusive of disqualified Bonds, as defined in Section 7.04 of the Resolution) unless the modification of amendment is for the purpose of curing ambiguities or defects in the Resolution; grants or confers upon the Bondholders additional rights, remedies, powers, authority or security; or to provide for the issuance of Additional Bonds in conformity with the provisions of the Resolution, in which case no Bondholder's consent is required. No modification or amendment of the Resolution shall: (1) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Agency to pay the principal thereof, or interest thereon, or any premium payable on the redemption thereof, at the time and place and at the rate and in the currency provided therein, without the express consent of the holder of such Bond, or (2) permit the creation by the Agency of any mortgage (pledge or lien upon the Tax Revenues, superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or (3) modify any of the rights or obligations of the Fiscal Agent or of any Paying Agent without its written consent.

REDEVELOPMENT AGENCY OF THE CITY OF OJAI

The Redevelopment Agency

In 1972, the Ojai City Council took action that formally recognized the need for redevelopment of portions of the city. The Agency was created under the provisions of the Community Redevelopment Law by Ordinance No. 449, approved and adopted by the City Council on March 7, 1972, and at the same time the City Council declared itself to be the Agency. The Agency appoints an Executive Director to implement Agency policies and administer redevelopment activities. The City Manager, Mr. Donald R. Kemp, serves as Executive Director of the Agency. City staff provides technical services connected with the redevelopment projects, including fiscal services, engineering, planning, legal assistance and other functions necessary for project implementation.

Powers

All powers of the Agency are vested in its five members. Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. As such, the Agency has the authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain, the right to accept financial assistance from any source, and the power to issue bonds, notes or other evidences of indebtedness, and expend their proceeds. The Agency itself does not have the power to levy taxes.

The Agency may also clear buildings or other improvements, develop as a building site any real property owned or acquired, and in connection with such development, may provide for the installation of streets, utilities, sidewalks, and other necessary public improvements. With the exception of publicly owned structures and facilities benefitting the Project, the Agency itself cannot construct any buildings contemplated under the Redevelopment Plan but must convey property in the Project by sale or lease at fair value, for private redevelopment in strict conformity with the Plan. The Agency may specify a period of time within which such development must begin.

Tax Allocation Financing

The Community Redevelopment Law and Constitution of the State of California authorize a method of financing redevelopment projects based upon a prescribed allocation of property taxes collected within a project. The assessed valuation of taxable property within the project is, in effect, frozen at the level set forth in the assessment rolls last equalized prior to the effective date of the Ordinance adopting the redevelopment plan, and all overlapping taxing bodies continue to receive the taxes derived by the levy of the current tax rate against the assessed valuation of the project up to an amount equivalent to this frozen base. All property taxes collected each year after the adoption of the redevelopment plan upon any increase in assessed valuation above the established base level may be credited to a redevelopment agency and pledged to the repayment of any indebtedness incurred in the development of the project. The county also distributes to the Agency the incremental delinquent taxes in the same manner when they are collected. After all indebtedness of the Agency for a given project has been repaid, the total taxes produced by the project thereafter accrue to the respective taxing bodies in the usual manner. Thus, the tax allocation procedure not only permits each taxing agency to levy and collect taxes on the level of assessed valuation existing in a project prior to redevelopment, but also provides that increases in assessed valuation occurring as a result of such redevelopment may be used as a basis for the repayment of costs or indebtdeness incurred in behalf of the project.

During the course of redevelopment, assessed valuations may temporarily be less than the frozen base, as a redevelopment agency acquires land and improvements and the properties are removed from the tax rolls by virtue of the transfer to public ownership, or as other land development activities result in a short-term reduction in assessed valuation. While assessed valuations are less than the frozen base, overlapping taxing entities receive only the taxes derived from the current tax rate applied against the actual assessed valuation. As an agency disposes of land to private ownership for purposes of redevelopment, it is returned to the tax rolls with

an assessed valuation that usually reflects the higher level of planned use prescribed in the redevelopment plan. In the event that privately-owned property is acquired and permanently removed from the tax rolls for public uses, the frozen base valuation is reduced proportionately so that the ability to generate Tax Revenues from any new development will not be impaired.

As previously stated, the Community Redevelopment Law authorizes the incurrence of indebtdeness by a redevelopment agency, and the payment of debt service costs is permitted from any one or a combination of stated sources. The 1977 Tax Allocation Bonds now being offered for sale are secured by a pledge of tax receipts produced from the incremental assessed valuation of the Project (previously defined as the Tax Revenues) which are to be paid directly into the Agency's Special Fund established for the benefit of the Bondholders, and held by the Fiscal Agent. As discussed previously, Tax Revenues received each year in excess of one hundred and twenty five percent (125%) of aggregate annual interest and minimum Sinking Account deposit requirements on the Bonds (and for other required payments and deposits, if any) may be paid to the Agency by the Fiscal Agent.

Agency Financial Statements

The Redevelopment Agency of the City of Ojai is a public entity separate and apart from the City of Ojai, but is entirely staffed by employees of the city. All accounting records of the Agency operations are maintained by the city's Finance Department separately from the accounting records of the city.

A Redevelopment Fund was first established in the 1974/75 fiscal year. The audited fund balances in that fund were $1,594 as of June 30, 1975 and $45,919 as of June 30, 1976. Since Agency activities have been of an administrative nature to date, no other funds have yet been established.

New residential development within the Project area.

Photograph showing existing conditions within a portion of the Downtown Redevelopment Project Area.

THE OJAI DOWNTOWN REDEVELOPMENT PROJECT

Background

The Redevelopment Plan (the "Plan") for the Ojai Downtown Redevelopment Project was adopted by the Agency and the City Council pursuant to City Ordinance No. 455 on May 30, 1972. This Project is the first to be initiated by the Agency. Conditions within the Project area prior to adoption of the Plan met the statutory conditions of blight, which must be found to exist as a prerequisite to initiation of redevelopment activities. These conditions included mixed and incompatible land uses, deteriorated housing, other non-conforming or underutilized properties, and inadequate public facilities.

Project Description and Status

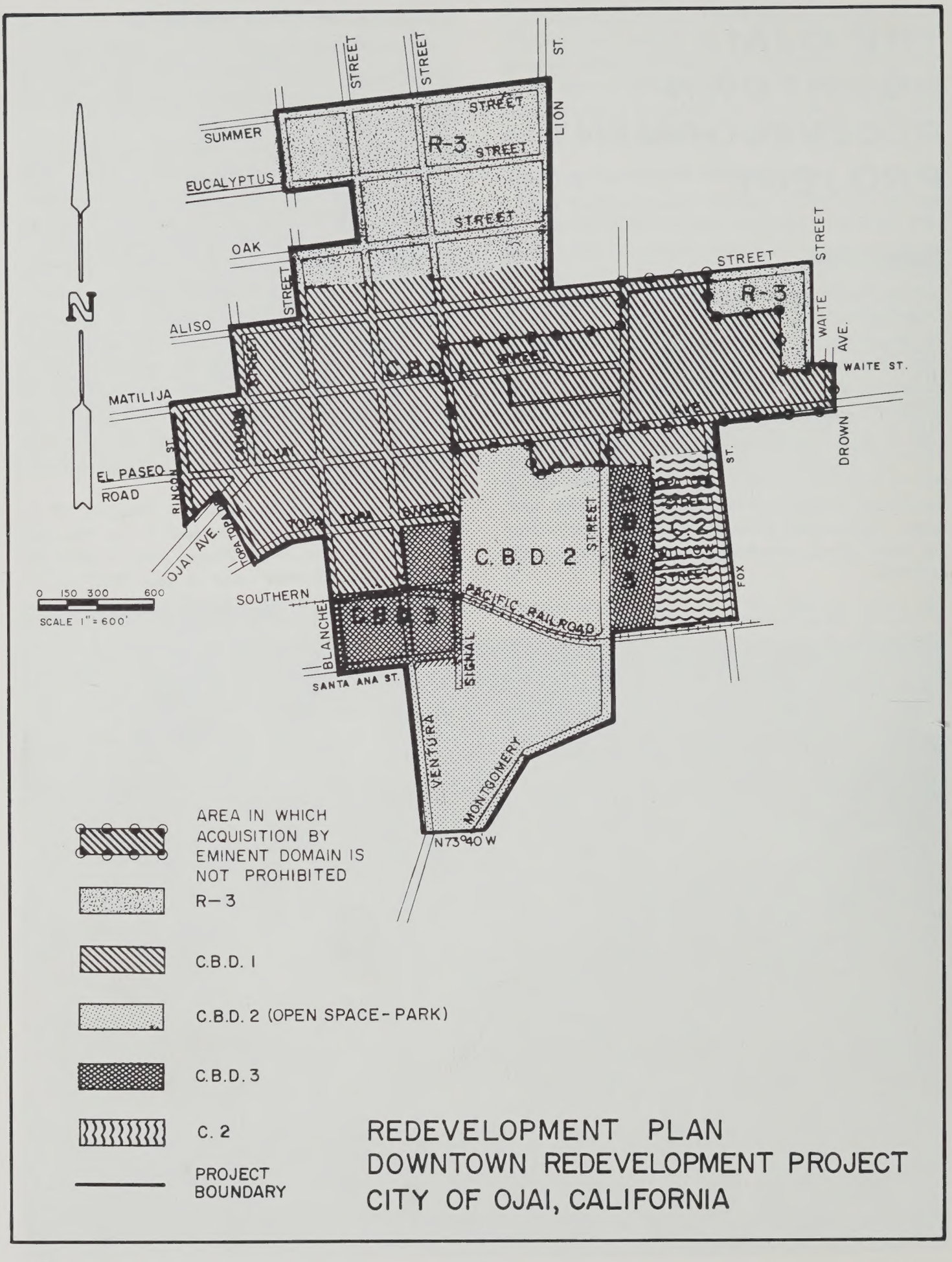
The Project is irregular in shape and is comprised of 159 acres in the central business district of the City of Ojai and surrounding residential and commercial areas.

The Plan provides for multiple residential development not to exceed one dwelling unit per 2,000 square feet of land area; commercial development including offices, retail stores, service businesses, entertainment businesses, education and related uses. In addition, approximately 20% of the total Project area will be developed as green belts/open space.

Approximately 90 parking spaces will ultimately be developed. Utilities will be placed underground, and plazas, malls, fountains and walkways will be constructed, to complement the Arcade Shopping Center, constructed in 1917. All redevelopment will conform to all applicable city building codes, sign ordinances, planning and architectural standards and other regulations.

Private development since the adoption of the Plan in May 1972 has resulted in an increased assessed valuation of the Project area of $571,492, representing a market value of over $2.2 million.

Ojai central business district, located within the Project area. The historic Arcade shopping center, constructed in 1917, is to the left; the post office tower to the right.



REDEVELOPMENT PLAN
DOWNTOWN REDEVELOPMENT PROJECT
CITY OF OJAI, CALIFORNIA

In addition, completed since March 1, 1976 within the Project are three apartment buildings totalling ten dwelling units and a branch of the Santa Paula Savings and Loan Association. The city building department reports the combined valuation of these four developments at approximately $356,000. Based on the 25% assessment ratio for new construction in California, these developments will generate an additional $89,000 in assessed valuation in 1977/78, resulting in a total increase since Plan adoption of $660,492.

Building Moratorium

Pursuant to Ordinance No. 535 adopted by the City Council December 22, 1976, a building moratorium was imposed on certain areas of the city, including the Project area, until final adoption of a general plan for the city. It is anticipated that the general plan will be adopted by May 1, 1977 allowing the moratorium to be lifted. However, pursuant to Section 65858 of the Government Code, the moratorium will not extend beyond December 22, 1977.

It must be noted that the moratorium has no effect on the calculations presented in this official statement concerning estimated Tax Revenue and Bond retirement as such calculations do not project any future development in the Project area but are based solely on improvements completed or nearing completion.

Estimated Project Costs

Table 1 below presents the anticipated application of net Bond proceeds to Project expenditures.

Table 1

OJAI DOWNTOWN REDEVELOPMENT PROJECT

Application of Net Bond Proceeds

Undergrounding utilities	$180,000
Land acquisition and construction of plazas, malls, fountains and other Project expenditures	355,375
Net Bond Proceeds	$535,375

Assuming receipt of Bond proceeds no later than May 1, 1977, construction of all public improvements is scheduled for completion by December 1979.

Environmental Considerations

The Project is subject to the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000 et seq.). An environmental impact assessment was made and a negative declaration adopted by the City Council. The Notice of Determination was filed with the Ventura County Clerk on July 20, 1976.

Examples of recent commercial development within the Project area.

ESTIMATED TAX REVENUE AND BOND RETIREMENT SCHEDULE

Estimated Tax Revenues

All Tax Revenues (as previously defined) derived from the levy and collection of taxes on any increase in the assessed valuation of land, improvements, public utility and all other taxable property in the Project over and above the 1971/72 frozen base roll established by the county for such property are to be deposited in the Ojai Downtown Redevelopment Project Special Fund on and after April 1, 1977, and applied by the Fiscal Agent to the payment of interest and Sinking Account deposits. If on each December 31 the balance on deposit in the Special Fund exceeds one and twenty-five hundredths (1.25) times Bond interest and principal payments and Sinking Account deposits coming due within the then current fiscal year, the Fiscal Agent may transfer such excess to the Agency under the conditions specified in the Resolution and set forth in "The Bonds" section of this official statement.

Each annual levy of property taxes is made at the then applicable rate, but for the purpose of estimating future tax receipts and calculating an estimated Bond retirement schedule, the projection of Tax Revenues available for payment of Bond interest and principal is based on the aggregate 1976/77 tax rate applicable to the 1976/77 incremental assessed valuation of the Project. The Project comprises one tax rate area with an aggregate tax rate of $12.0395 per $100 assessed valuation. As mentioned previously, the incremental assessed valuation amounts to $571,492 ($3,447,352 valuation for 1976/77, less 1971/72 base year valuation of $2,875,410, both as reported by the county). By application of the 1976/77 tax rate ($12.0395) to the $571,492 incremental assessed valuation, it is anticipated that the Project will generate at least $68,800 of Tax Revenues in the current 1976/77 fiscal year. In addition there are four recently completed developments with an estimated market value of $356,000 which will be reflected on the 1977/78 assessment rolls. The Ventura County Assessor assesses new developments at 25% of full value; therefore it is estimated the aforementioned new developments will increase the Project area assessed valuations by $89,000, resulting in a total incremental assessed valuation of $660,492. Application of the 1976/77 tax rate of $12.0395 to this assessed valuation will generate an estimated $79,500 Tax Revenues in 1977/78 and subsequent fiscal years. At the present level, such Tax Revenues will cover annual interest payments and required Sinking Account deposits by about 1.25 times (see Table 2).

No further significant increases in assessed valuations within the Project have been projected for the above computations.

Ventura County currently assesses taxable property within the Project at an average ratio of 27.3 percent of full value (except public utility property which is assessed by the State Board of Equalization at 25 percent of full value). In accordance with state statutory provisions any new construction (including utility property) must be assessed at 25 percent of full value. Property carried on the local secured, unsecured and utility rolls is assessed to the owner of record as of each March 1 preceding the fiscal year commencing the next following July 1. Unsecured property taxes are due on the lien date and are payable by the next following August 31, while local secured and utility property taxes are due, one-half, on November 1 and February 1 of each fiscal year and become delinquent on December 10 and April 10, respectively. Tax Revenues are currently allocated to redevelopment agencies in the county in the following manner: Local secured and utility tax allocations are made by June 1 of each fiscal year; unsecured tax allocations are made by March 1 of each fiscal year following the year of levy, and the allocation of delinquent taxes is made by September 1 of the fiscal year next following the year of levy. The estimated Bond retirement schedule presented in Table 2 is based upon the foregoing schedule of tax allocations to the Agency.

Estimated Bond Retirement

Under the provisions of the Resolution, the Bonds will mature in two groups of term bonds on April 1, 1988 ($200,000) and April 1, 1998 ($450,000). As stated above and elsewhere herein, the Resolution permits withdrawal by the Agency of excess Tax Revenues from the Special Fund, subject to certain conditions precedent. The provisions of the Resolution require the Fiscal Agent to retain and accumulate each year in the Special Fund an amount equal to Bond interest and Minimum Sinking Account deposits (in amounts shown in "The Bonds" section of this official statement) coming due within the then current fiscal year before any disbursements may be made to the Agency.

Should the Agency issue any additional series of authorized bonds, such issue would be subject to the terms of the Resolution and as summarized in "The Bonds" section of this official statement. The Agency does not anticipate issuing additional bonds on behalf of the Project in the foreseeable future.

Table 2 does not reflect the initial deposit into the Reserve Account from Bond proceeds (maximum annual interest requirements on the Bonds), since this amount is to be retained therein and, unless needed to cover any unanticipated deficiency in the Tax Revenues, will not be used until applied to the last payment of interest on the 1977 Bonds (or additional bonds).

The estimates presented in Table 2 do not take into account interest earnings on the Redevelopment Fund or the Special Fund which in practice will be invested. To the extent that such investment income becomes available, the retirement of principal through purchase or call might be accelerated over the retirement schedules presented in Table 2.

On the basis of the Tax Revenues currently being generated by the Project and estimated to be generated in 1977/78 and following years as discussed above, it is estimated that all outstanding Bonds will be retired by April 1, 1993, or five years prior to maturity of the Group II Term Bonds.

Table 2

REDEVELOPMENT AGENCY OF THE CITY OF OJAI

OJAI DOWNTOWN REDEVELOPMENT PROJECT, 1977 TAX ALLOCATION BONDS

Estimated Debt Retirement and Cash Flow Schedule

Year Ending April 1	Estimated Tax Revenue	Bonds Outstanding April 1	Interest Estimated @ 7¼%	Minimum Sinking Account Deposits	Sinking Account Balance	Principal Retired April 1	Redemption Premiums		Estimated Bond Service	Accumulated Special Fund Balance⑤
							Percentage	Amount		
1978	$68,800①	$650,000	$ 47,125	$ —	$ —	$ —			$ 47,125	$ 21,675
1979	79,500②	650,000	47,125	20,000	20,000	—			67,125	34,050
1980	79,500②	650,000	47,125	20,000	40,000	—			67,125	46,425
1981	79,500②	650,000	47,125	20,000	60,000	—			67,125	58,800
1982	79,500②	650,000	47,125	20,000	80,000	—			67,125	71,175
1983	79,500②	650,000	47,125	20,000	100,000	—			67,125	83,550
1984	79,500②	650,000	47,125	20,000	120,000	—			67,125	95,925
1985	79,500②	650,000	47,125	20,000	140,000	—			67,125	108,300
1986	79,500②	650,000	47,125	20,000	160,000	—			67,125	120,675
1987	79,500②	650,000	47,125	20,000	180,000	—			67,125	133,050
1988	79,500②	650,000	47,125	20,000	200,000	200,000			67,125	145,425
1989	79,500②	450,000	32,625	30,000	③	185,000④	102¼%	$4,163	221,788	3,137
1990	79,500②	265,000	19,213	35,000		60,000④	102	1,200	80,413	2,224
1991	79,500②	205,000	14,862	35,000		65,000④	101¾	1,137	80,999	725
1992	79,500②	140,000	10,150	40,000		65,000④	101½	975	76,125	4,100
1993	79,500②	75,000	5,438	45,000		75,000④	101¼	937	81,375	2,225
Total			$600,663			$650,000		$8,412	$1,259,075	

① Based on Tax Revenues currently being generated by the Project.

② Based on Tax Revenues currently being generated plus from construction currently in process or recently completed. No projections of additional Tax Revenues generated by future development have been made.

③ After all Group I Term Bonds maturing April 1, 1988 have been retired, pledged Tax Revenues in excess of the Minimum Sinking Account deposit must be used to redeem Group II Term Bonds at or prior to maturity.

④ Includes Minimum Sinking Account deposit.

⑤ Reflects required retention and accumulation of up to 25% of annual interest and minimum Sinking Account deposits to April 1, 1988. Thereafter all Tax Revenues, after payment of interest, are assumed to be applied to redemption of Group II Term Bonds.

NOTE: The above table assumes all redemptions occur on April 1 of the applicable years.

CITY FINANCIAL DATA

The Bonds are not a debt of the City of Ojai and the following city financial data are included only for the purposes of providing general information.

Assessed Valuations

The City of Ojai uses the facilities of Ventura County for the assessment and collection of taxes for city purposes. City taxes are collected at the same time and on the same tax rolls as are county, school district, and special district taxes. Assessed valuations of properties are the same for both city and county taxing purposes. The California State Board of Equalization reports the 1976/77 Ventura County valuations average 27.3 percent of full value except for public utility property, which is assessed at 25 percent of full cash value by the state.

The California State Legislature adopted two types of state-reimbursed exemptions beginning in the tax year 1969/70. The first currently exempts 50 percent of the assessed valuation of business inventories from taxation. The second exemption currently provides a credit of $1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor.

Revenue estimated to be lost to local taxing agencies due to the above exemptions is reimbursed from state sources. Reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated delinquencies. The following tabulations present the city's 1976/77 assessed valuation before and after provision for state-reimbursed exemptions, and a summary of assessed valuation growth since 1967/68.

CITY OF OJAI

1976/77 Assessed Valuation

Roll	Net Assessed Valuation	State-reimbursed Exemptions	Assessed Valuation for Revenue Purposes
Secured ..	$19,501,574	$2,219,245	$21,720,819
Unsecured.	969,391	261,323	1,230,714
Utility ...	1,114,830	—	1,114,830
Total ..	$21,585,795	$2,480,568	$24,066,363①

① Includes incremental assessed valuation of $571,492 from the Downtown Redevelopment Project. Taxes levied against such valuation are not available to the city or other overlapping taxing entity.

Source: Ventura County Auditor-Controller.

CITY OF OJAI

Assessed Valuations

Fiscal Year	Assessed Valuation
1967/68	$13,414,021
1968/69	13,778,823
1969/70	13,726,867*
1970/71	14,091,097*
1971/72	14,393,496*
1972/73	14,633,635*
1973/74	16,451,559*
1974/75	18,081,761*
1975/76	19,976,285*
1976/77	24,066,363*

*Before deduction of State-reimbursed exemptions (first in effect in 1969/70).

Source: Ventura County Auditor-Controller.

Tax Rates, Secured Tax Levies, and Delinquencies

Ad valorem taxes of the city are collected by the County Tax Collector at the same time and in the same manner as city and school district taxes. Taxes are payable on November 1 and February 1 and become delinquent on December 10 and April 10, except taxes on certain properties which are assessed on the unsecured roll. Unsecured taxes are assessed on March 1 and become delinquent the following August 31.

The 1976/77 city tax rate of $1.925 per $100 assessed valuation is comprised of $.975 for general city purposes, $.260 for general obligation bond purposes, $.450 for recreation purposes and $.240 for employee retirement. This rate has been in effect since 1973/74.

Under California statutory tax rate limitations, the city's maximum allowable property tax rate, other than to meet debt service on voter-approved general obligation bond issues, is $1.00 per $100 assessed valuation.

Tax Rate Area 2000 (1976/77 assessed valuation $17,836,797) is the largest in terms of assessed valuation in the city. Total tax rates per $100 assessed valuation in Tax Rate Area 2000 for all purposes for the past five years are presented in the summary at the top of the next page.

The following tabulation presents a six-year summary of the city's secured tax levies, and current secured tax delinquencies. During the period, the current rate of secured tax delinquency averaged a very favorable 2.34 percent per annum.

CITY OF OJAI

Secured Tax Levies and Delinquencies

Fiscal Year	City Secured Levy	Amount Delinquent June 30	Percent Delinquent June 30
1970/71	$204,568	$5,188	2.54%
1971/72	251,156	6,680	2.66
1972/73	256,387	5,728	2.24
1973/74	259,767	5,459	2.10
1974/75	288,926	6,574	2.28
1975/76	321,557	7,211	2.24

Source: Ventura County Auditor Controller.

Principal Taxpayers

Ventura County does not compile lists of major ad valorem taxpayers within a particular entity.

Retirement System

City employees participate in a defined-benefit pension plan which is administered in accordance with a contract between the city and the State of California Public Employees' Retirement System (PERS). PERS is a statewide system operated pursuant to Title 2, Division 5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. Benefit Technology (formerly Actuarial Systems, Inc.), independent actuaries and consultants, completed the last outside review of PERS actuarial experience for the four-year period ending June 30, 1973. The most recently made actuarial valuation of the system, as of June 30, 1975, was made by the State's Actuarial Division. The report identified an "unfunded supplemental liability" of $1,271,956,710, as of June 30, 1975, for the local miscellaneous employees group, which would include employees of the city other than police personnel. The "unfunded supplemental liability" for all other member groups (State Miscellaneous, State Safety, Highway Patrol, Local Safety, which would include city police personnel), as of June 30, 1975, was $5,822,022,351. The report includes a discussion of new actuarial assumptions to provide for amortization of unfunded liabilities in the various member groups within PERS. Additional information is available from State of California Public Employees' Retirement System, 1416 Ninth Street, Sacramento, California 95814.

TAX RATE AREA 2000

Total Tax Rates

	1972/73	1973/74	1974/75	1975/76	1976/77
City of Ojai	$ 1.9500	$ 1.9250	$ 1.9250	$ 1.9250	$ 1.9250
Ventura County	2.4386	2.4091	2.4939	2.7993	2.7387
Schools	6.4209	5.5769	5.7281	5.4168	5.4369
Fire Protection	.6139	.6390	.6971	.7517	.8102
Flood Control	.3809	.3766	.3190	.3200	.2484
Water District	.5500	.6200	.6200	.7200	.6700
Other special districts	.1721	1.506	.2076	.2171	.2103
Total, All Property	$12.5264	$11.6972	$11.9907	$12.1499	$12.0395
Land and Improvements only:					
Regional sanitation	.0858	.0883	.0883	.0650	.0650
Total, All Rates	$12.6122	$11.7855	$12.0790	$12.2149	$12.1045

Source: Ventura County Auditor-Controller.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it.

The city's retirement actual revenues and expenditures for 1975/76 and budgeted for 1976/77 are presented in the tabulation below.

CITY OF OJAI

Retirement Revenues and Expenditures

	1975/76 Actual	1976/77 Budgeted
Revenues:		
Fund Balance	$ 50,755	$ 38,541
Taxes	44,000	49,680
Employee Contributions	27,200	28,016
Interest	3,005	2,800
Total	$124,960	$119,037
Expenditures:		
PERS	$ 59,219	$ 60,996
Employee Contribution	27,200	28,016
Reserve	38,541	30,025
Total	$124,960	$119,037
Total Employees	36	36

Source: City of Ojai 1976/77 Budget.

Fund Balances

The city's audited fund balances as of June 30, 1975 and 1976 were as shown below.

CITY OF OJAI

Fund Balances as of June 30

	1975	1976
General Fund	$210,662	$209,919
Sanitation Fund	32,546	125,258
Gas Tax Fund	24,711	58,740
Redevelopment Fund	1,594	45,919
Retirement Fund	50,755	43,098
Other funds	137,923	145,567
Total	$458,191	$628,501

Source: 1975/76 City Audit Report—copy on file at City offices.

Revenues and Expenditures

Table 3 on page 22 presents a summary of general revenues and expenditures for the City of Ojai over the past five years, as reported by the city to the State Controller in accordance with State law.

Table 3

CITY OF OJAI

Summary of Revenues and Expenditures

	1971/72	1972/73	1973/74	1974/75	1975/76
REVENUES:					
Property Taxes	$260,614	$269,231	$ 285,922	$ 299,675	$ 338,400
Sales and Use Taxes	123,986	165,692	169,638	216,042	250,104
Other Taxes	67,235	85,983	93,559	96,570	104,834
Licenses and Permits	14,364	24,370	10,620	26,886	61,260
Fines and Penalties	11,631	14,682	10,856	12,098	13,849
Use of Money and Property	7,722	12,921	32,421	42,370	32,458
From Other Agencies	159,427	238,160	243,799	286,813	294,627
Current Services	94,608	143,950	167,100	183,723	195,828
Other Revenue	25,380	23,694	15,948	41,322	81,142
Total	$764,967	$978,683	$1,029,863	$1,205,499	$1,372,502
EXPENDITURES:					
General Government	$215,526	$235,105	$ 285,461	$ 365,283	$ 514,728
Public Safety	210,751	236,455	233,130	264,378	303,582
Public Works	150,774	189,751	274,147	416,150	231,057
Parks and Recreation	58,756	88,202	113,874	118,488	129,266
Other	—	—	5,673	—	1,511
Capital Outlays	15,195	24,256	72,162	76,696	27,176
Total	$651,002	$773,769	$ 984,447	$1,240,995	$1,207,320

Source: City Finance Department as reported to State Controller.

Direct and Overlapping Bonded Debt

The City of Ojai is a general law city; therefore its general obligation debt limit is fifteen percent of the city's assessed valuation. Based on the city's 1976/77 assessed valuation of $24,066,363 and $748,000 outstanding general obligation bonds as of the sale date of the Bonds currently offered, the city's unused debt capacity is $2,861,954.

The outstanding general obligation bonds are the remainder of $938,000 issued June 1, 1963 to finance sewer improvements. The final maturity on the bonds is June 1, 1993.

Table 4 on page 23 presents a statement of the city's direct and estimated overlapping bonded debt as of the sale date of the Bonds currently offered.

Table 4

CITY OF OJAI

Direct and Estimated Overlapping Debt

Population	5,825①
1976/77 Assessed Valuation	$24,066,363
Estimated Market Value	$88,531,000②

Entity	Percent Applicable	Debt Applicable April 12, 1977③
Ojai Unified School District (previous issues)	35.360%	$ 259,542
Ventura County Flood Control, Zone 1	9.995	39,980
Ventura Community College District	1.252	78,250
Ventura River County Water District	17.301	10,381
City of Ojai	100.	748,000
TOTAL DIRECT AND OVERLAPPING DEBT		$1,136,153

	Ratio to		
	1976/77 Assessed Valuation	Estimated Market Value	Per Capita
1976/77 Assessed Valuation	100. %	②%	$4,132
Direct Debt	3.11	.84	129
Total Debt	4.72	1.28	195

① Source: State Department of Finance as of January 1, 1976.

② The State Board of Equalization reports 1976/77 Ventura County assessed valuation average 27.3% of full value, except utility property which is assessed at 25% of full value.

③ Excludes city share of county lease-revenue bond obligations ($748,725), City 1915 Act Bonds ($54,893) and Redevelopment Agency Tax Allocation Bonds now being offered for sale ($650,000). Excludes sales and repayments, if any, between March 8 and April 12, 1977.

THE CITY AND ITS ECONOMY

Geography

The City of Ojai, incorporated in 1921, lies in a valley 76 miles northwest of Los Angeles. Valley elevations range from 500 to 1,500 feet above sea level. The city comprises approximately 3.3 square miles in area. The city has a mild, dry climate, with temperatures ranging from 34 degrees to 91 degrees, with a mean of 62 degrees. Average rainfall is eight inches annually.

Historically, the city has served both as a resort community due to excellent weather and a rural environment and as an important agricultural center, principally for citrus crops. In addition to the wide range of recreational opportunities in the area, the city has developed a distinctive cultural aspect, with well-developed arts and craft activities, concerts and other activities.

Municipal Government

The city is a general law city operating under the council-manager form of government. The City Council is composed of five members who are elected at-large to alternating four-year terms at elections held every two years. The Council selects one of its members to serve as Mayor. Advisory commissions appointed by the Council include Ad Hoc Transportation Committee, Architectural Board of Review, Parks and Recreation, Planning, Redevelopment and Utility Underground Committee.

In 1976/77, the city budget totalled $1.83 million and provided for 36 full-time personnel to carry out city functions. The city police department employs 16. Fire protection is provided by Ventura County.

Population and Housing

Since 1950, the city's population has approximately doubled. Throughout the years, the nature of the community has remained basically constant and growth has been gradual in keeping with the semi-rural environment. The tabulation following presents population data for the city.

CITY OF OJAI

Population Statistics

Year	Population
1950①	2,800
1960①	4,495
1970①	5,591
1976②	5,825

① U.S. Census.
② State Department of Finance as of January.

The 1970 Census of Housing reports that 95 percent of the city's housing units were single-family dwellings, and 60 percent were owner-occupied. Median home value was $19,800. Median price asked for a vacant home was $35,000. Median rental was $107 monthly. The average 1970 family income in Ojai, as reported by the Census, was $10,812.

Employment

Employment statistics are not regularly compiled for Ojai. The city lies within the Ventura County Labor Market Area, which encompasses the entire county. As of November 1976, total civilan employment for county residents was 128,700, an increase of 1,500 over the previous November. The season-

Ventura Labor Market

Wage and Salary Employment by Industry

Industry	November 1975	November 1976
Agriculture	13,500	13,500
Construction	4,000	3,400
Manufacturing	16,600	16,500
Transportation, communication, and utilities	4,400	4,400
Trade, wholesale and retail	25,900	26,700
Finance, insurance, and real estate	4,200	4,200
Services	20,700	21,500
Government	36,200	36,700
Other	1,700	1,800
Total	127,200	128,700
Seasonally adjusted unemployment rate	8.5%	8.7%

Source: California Employment Development Department.

ally adjusted unemployment was 8.7% (compared with 8.5% the previous year). A distribution of wage and salary employment by industry is shown in the tabulation on the previous page.

Industry

Agriculture has been an important factor in the economy of Ventura County. The warm, frost-free climate in the Ojai area have made citrus a major crop. Annual agricultural employment in the Ojai area averages between 2,000 and 3,000 according to the State Employment Development Department.

There are three small manufacturing plants in the city, employing from five to fifty. These are Industrial Tools, Inc.; Kem Engineering; and Tri-Metric Signs. Other major employers in the community include the Ojai Unified School District, City of Ojai, Ojai Valley Inn, Ojai Valley Community Hospital and The Oaks at Ojai Resort Hotel.

Commercial Activity

The City of Ojai has a diverse central business district serving the entire valley. Shopping is centered around the historic Arcade, a two-block long Spanish-styled shopping center constructed in 1917. In addition to the Arcade, the city has a wide variety of offices, service establishments, automobile dealers, restaurants and other retail outlets.

The following tabulation presents taxable transactions in the city since 1971, as reported by the State Board of Equalization.

CITY OF OJAI
Taxable Transactions

Year	Number of Outlets	Transactions
1971	203	$11,144,000
1972	207	14,830,000
1973	210	16,301,000
1974	211	16,983,000
1975	221	18,184,000
1976 (9 mos.)	241	14,746,000

Source: State Board of Equalization.

Banking

The city is served by branches of the following banks and savings and loan associations: Bank of America N.T. & S.A.; Ojai Valley State Bank; Security Pacific National Bank; Imperial Savings and Loan; Mission Federal Savings and Loan; and Santa Paula Savings and Loan.

Construction Activity

Building permit valuation in the City of Ojai was over $6.8 million in 1976, higher than for any previous annual total. The previously discussed building moratorium will probably result in decreased new building for the first half of 1977.

Since 1970 the city has issued building permits for 504 housing units, of which 291 were single-family, 113 were condominium units and 100 were apartment units.

The Ojai central business district, located within the Project area. In the distance on the left side of the street is the Arcade shopping center.

The following tabulation presents building permit valuation in the city by years since 1972.

CITY OF OJAI

Building Permit Valuations

Year	New Dwelling Units	Valuation
1972	95	$1,764,177
1973	45	1,507,220
1974	58	2,798,637
1975	49	2,611,493
1976	160	6,892,246

Source: City Building Department.

Agriculture

Ventura County consistently ranks among the nation's top twenty counties in total agricultural production value. In 1975 (latest data available), there were 26 production categories in the county with a value of one million dollars or more. Lemons, oranges, avocados, strawberries, truck vegetables, poultry and eggs were the major categories in terms of value. The tabulation below presents a five-year summary of Ventura County agricultural crop values.

VENTURA COUNTY

Agricultural Crop Values

Year	Value
1971	$200,401,100
1972	220,328,400
1973	277,829,100
1974	306,713,100
1975	345,777,500

Source: Ventura County Agricultural Commission.

Transportation

The city is traversed by State Routes 33 and 150 which connect the city with the nearby cities of Ventura, Santa Barbara and Santa Paula. The highways also intersect with U.S. Route 101, the major north-south coastal route in California.

Scheduled truck service is provided by four major lines and other trucking firms as required. Greyhound provides interstate bus service. Local bus service is provided by South Coast Area Transit.

Scheduled commuter air service is available at Ventura County Airport in Oxnard, 25 miles to the south. Service to all points throughout California and beyond is available at Santa Barbara Airport, 35 miles northwest. The airport is served by Hughes Airwest, United Airlines and Golden West Airlines.

Rail service is available at Ventura where the Southern Pacific coast mainline is located. Amtrak-operated passenger trains are available at both Oxnard and Santa Barbara.

The nearest deep water port is at Port Hueneme, 20 miles to the west.

Utilities

The City of Ojai is served by the following utilities:

Electricity: Southern California Edison Company

Gas: Southern California Gas Company

Telephone: Pacific Telephone Company

Water: Casitas Municipal Water District; Meiners Oaks County Water District; Mira Monte Mutual Water Company; Southern California Water Company; Ventura River County Water District.

Sewer: Ojai Sanitary District; Oak View Sanitary District; Meiners Oaks Sanitary District.

Education

The Ojai Unified School District operates six elementary schools, one junior high school, one high school and a continuation high school. Total 1976/77 enrollment was reported by the district to be 3,561 for all elementary and secondary schools.

Ventura College, a two-year community college, is located in Ventura, 20 miles from the city. The University of California at Santa Barbara is located in Isla Vista, about 50 miles northwest of the city.

Community Facilities

There is a 49-bed community hospital in the city and four general hospitals within the county that can serve city residents. There are over 50 medical professionals practicing in the city.

Also located in the city are three libraries, an art center, a museum, ten city and county parks, two public swimming pools and two 18-hole golf courses. Nearby are the Los Padres National Forest and the Lake Casitas Recreational Area, both offering a wide range of recreational opportunities. There is a local newspaper and radio station. In addition, there is cable television available and major Southern California newspapers are delivered in the city.

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